OPEC

Organization of the Petroleum Exporting Countries

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Monthly Oil Market Report

October 2001

OPEC Basket average price

US $ per barrel

Down 0.17 in September

September	**24.29**
August	24.46
Year-to-date	24.71

September OPEC production

million barrels per day, according to secondary sources

Algeria	0.82	Kuwait	1.97	Saudi Arabia	7.70
Indonesia	1.20	SP Libyan AJ	1.35	UAE	2.06
IR Iran	3.65	Nigeria	2.20	Venezuela	2.73
Iraq	2.63	Qatar	0.66		

Supply and demand

million barrels per day

2001	
World demand	75.9
Non-OPEC supply	49.3
Difference	**26.6**
2002	
World demand	76.5
Non-OPEC supply	50.4
Difference	**26.1**

Stocks

Moderate stock-build in USA in September

World economy

World GDP growth estimate revised down to 2.5% for 2001

Opening address to 117th OPEC Conference
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Data covers period up to end-September 2001
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OPEC
press release
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Opening address
to the
117th Meeting of the OPEC Conference
by
His Excellency Dr Chakib Khelil
President of the Conference
and
Minister of Energy and Mines, Algeria

Excellencies, ladies and gentlemen,

Welcome to the 117th Meeting of the OPEC Conference, a Conference which is taking place during a period of heightened international tensions, in the aftermath of the tragic event that occurred in the USA two weeks ago. This caused the deaths of thousands of innocent people of many different nationalities, ethnic groups and religions, while the shock of it led to a profound sense of sorrow in every nation of the world. Let me begin this address, therefore, by extending the heartfelt condolences of our Organization and its Member Countries to the families of the many thousands of people who died in the catastrophe or who remain missing, as well as wishing a full and rapid recovery to those who were injured.

OPEC, for its part, has played a responsible and sensitive role throughout the crisis. This began with our clear and prompt assurance to consumers that they will remain adequately supplied with crude at all times. This assurance was well received by the international oil market, which had become immediately nervous by the sudden, unexpected turn of events.

The disaster in the USA has already had far-reaching consequences for the world at large, economically, politically and strategically. It has left, in its wake, a trail of uncertainty, insecurity, fears and hatred that extends across many communities, which had previously lived in harmony with each other for long periods. Therefore, in these unique, extremely dangerous and volatile conditions, we urge all national leaders to tread carefully by ensuring that they reach a consensus in their decision-making, as they seek to resolve the crisis and bring it to a timely conclusion. Such a conclusion must win the broad acceptance of the world community. Let us hope that, as a bonus, it will also lead to a new sense of mutual understanding and belonging among nations, where globalisation means not only a market economy with fierce competition, but also a more caring international environment that is sensitive to the needs of all the peoples of the world, both rich and poor. OPEC will continue to play a progressive role in such an environment, with the OPEC Fund for International Development, in particular, being an important source of assistance to the poorer developing countries.

The impact of the disaster upon the international oil industry will be profound, particularly in the context of the global economic slowdown and its implications for energy demand. Even before 11 September, there was great concern about the extent and the pace at which this slowdown was occurring in the leading industrialised nations. The situation has now deteriorated, with, among other things, a plunge in share prices the world over, in particular for the airlines, tourism and insurance, as well as heavy pressure on the US dollar, with refuge being sought in the Swiss franc.

A highly prominent casualty of the crisis has been the aviation industry, with many companies announcing major operational cutbacks and drastic reductions in staff levels — these may total around 100,000 employees in the USA alone. This is leading to a huge fall in demand for jet fuel, which has been estimated at around 400,000 barrels a day across the globe. At the same time, the aviation industry's retrenchment will have a broader impact on the performance of national economies, adversely affecting other sectors and exacerbating the overall turmoil. On top of this is the fact that, among the victims of the disaster are many highly accomplished members of the international financial community, and their expertise will not be available just at the time when it is most needed to help cope with the present crisis. With many analysts predicting a decline in energy use as a result of the events in the USA, the share prices of oil companies have been among the worst hit, and this could have widespread repercussions for the future health of the industry.

Of particular concern to OPEC in the present crisis has been the re-emergence of fears about security of supply. There is no doubt also that such fears will have dire consequences for the oil market, if they are allowed to prevail and influence the decision-making process. They may also undermine the considerable progress that has been made in producer-consumer relations over the past decade, which has been to the considerable benefit of the international oil market. OPEC is also concerned about such measures as imposing restrictions on the free trade of hydrocarbon-based oil products, raising insurance costs and mandating excessive restocking for security purposes; these will all result in higher costs for the petroleum industry and possible consequences for supplies.

In the present market climate — characterised by uncertainty, increased costs and possible softening demand — there is a greater need than ever before for non-OPEC producers, in a spirit of joint responsibility with OPEC, to share the burden of guaranteeing stable prices and secure supplies of crude; this will, at the same time, prevent excessive volatility. A sound, viable and stable oil market is an essential ingredient of steady world economic growth. Over the past two and a half weeks, we have been reminded once again of how inherently unstable the market is. Initially, after the US disaster, there was a sudden rise in prices. This was followed by a drop back to the price levels with which we have been familiar during the course of this year, after OPEC had guaranteed, on the day of the disaster, its continuing commitment to market stability and secure supplies. And finally, two days ago, prices fell by US $3–4 per barrel, driven essentially by speculation. OPEC's commitment includes the willingness to ensure adequate supplies at a price of around $25/b. But the task will not be easy, without the benefit and effective support of non-OPEC cooperation.

Indeed, we are pleased and thankful to have among us today representatives from eight non-OPEC oil-producing nations that acknowledge the role they can play in achieving order and price stability in the international oil market — Angola, Egypt, Equatorial Guinea, Kazakhstan, Mexico, Oman, the Russian Federation and Sudan. This is indicative of the advances that have been made in dialogue and cooperation.

Excellencies, ladies and gentlemen,

You will recall that, when price stability was threatened in July, we took the decision to remove one million b/d from the market, with effect from 1 September. This sent a positive signal to the market about the seriousness of OPEC's intentions and met with immediate success, because we put our credibility on the line. But our credibility is only as good as the continuation of the effort among our Member Countries to maintain cohesion, solidarity and cooperation, as happened in July. We are prepared to act again, as and when necessary, in the interests of market price stability, either as a full Conference or through informal contacts among our Ministers. The price of OPEC's spot Reference Basket of seven crudes so far this year has averaged just under $25/b, which, we believe, has provided a fair balance between the interests of producers and consumers. The events of the past fortnight demand a comprehensive review of the new situation facing us, and this will be undertaken by our Ministers at this Conference. We shall reach a decision that ensures adequate supplies at the $25/b market price, to the full satisfaction of producers and consumers alike.

Quite clearly, OPEC is doing all it can to maintain order and stability in the international oil market during a very difficult period. We were, after all, the first group in the industry to react publicly after the aggression on 11 September, assuring the market on the very same day of our unflinching commitment to security of supply. Now it is up to non-OPEC producers and the governments of consuming countries to play their respective parts in the process and assist us in our endeavours to ensure a healthy global oil sector; this will, in turn, provide a sound base for world economic growth. These governments could begin by reviewing the excessive levels of taxation they impose on oil products, whereby some of them receive four times the revenue of oil producers, which is both inequitable and distorts market economics.

Excellencies, ladies and gentlemen,

Let me conclude by saying that, in two days' time, there will be an opportunity for OPEC to take an in-depth look at many of the issues the oil industry is facing at the present time, when we hold a two-day international seminar on OPEC and the global energy balance, which carries the theme "Towards a sustainable energy future". The seminar, which will take place in the Hotel Intercontinental in Vienna, aims to support OPEC's moves towards reaching a better understanding between producers and consumers on energy matters. Our Oil and Energy Ministers will participate, as well as leading industrialists and academics.

Thank you for your attention.

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HIGHLIGHTS OF THE WORLD ECONOMY

Economic growth rates 2001*

%

World	G-7	USA	Japan	Eurozone
2.5	0.9	0.9	-0.6	1.9

Industrialised countries

Weakening US and Japanese economies, with euro-zone exhibiting relative health

Falling consumer confidence and plunging retail sales in the US in September point to a probable GDP contraction in the third quarter. Japan is also facing the prospect of a fourth recession within a decade. The euro-zone, despite some signs of weakness in Germany, remains relatively robust.

United States of America

US consumer confidence weakens and retail sales slump

Consumer confidence in the US economy weakened in September, in a survey reflecting research mostly completed before 11 September. The Conference Board's index of consumer confidence dropped to 97.6 in September from a revised 114.0 in August, the biggest one-month decline since October 1990. The University of Michigan survey of expectations index, which tracks consumers' attitudes about the coming year, rose to 77.9 in October from 73.5 in September. The current conditions index, a gauge of Americans' views of their present financial situation, fell to 92.1 from 94.6 in September. The Commerce Department reported that retail sales fell 2.4% in September — the biggest drop in nine years — compared with a 0.4% gain in August. The Producer Price Index, an indicator of inflation pressures, rose 0.4% last month after August's 0.4% gain. Excluding volatile food and energy prices, the "core" PPI rose 0.3% after falling 0.1% in August. In addition to the Fed's aggressive action in cutting interest rates, President Bush and Congress are discussing other ways to stimulate the economy, including tax cuts. The combination of the Fed's policy and a boost from Congress expected to be worth about $50 billion may lead to an economic recovery in the second half of 2002. In an indicator of the exaggerated effect of the 11 September events, the Commerce Department said it had tweaked its statistical model slightly to take into account the impact of the attacks. The change was in a portion of the model that would automatically try to smooth out temporary disruptions in the economy, such as hurricanes and floods. While trying to encourage spending, the Fed must also take care not to fuel inflation, especially as the PPI report indicated inflation was slightly worse than expected. Gasoline, home heating oil and automobiles led the surge in prices, but economists expect oil and auto prices to fall in the coming months, as demand for oil products wanes and auto-makers cut prices to entice buyers.

Japan

Pessimistic Tankan report reflects deepening gloom in Japan

The quarterly Bank of Japan (BoJ) Tankan report painted a gloomy picture of economic conditions. The big manufacturers' diffusion index fell to –33 in September from –16 three months before, marking the sharpest fall since March 1998. The diffusion index measures the difference between the percentage of companies that consider business conditions are improving and those that view them as worsening. Other economic indicators also confirm the deepening gloom. The government now openly admits that Japan is in recession, and has announced a supplementary budget for this fiscal year of ¥1 trillion. Moreover, the government may consider extending low-rate or interest-free loans to Japanese airlines, travel agencies and insurance companies hurt by the fallout from the events of 11 September. Meanwhile, real spending by Japanese wage-earners dropped 0.8% in August from a year earlier, falling for the fifth straight month and underscoring the weakness in overall personal consumption, which accounts for more than half of total economic output. Prices continued to fall, with the consumer price index dropping by 0.7% in August and wholesale prices falling by 1.1% in September year-on-year. This is likely to increase pressure on the BoJ to ease monetary policy further, since the falling prices indicate that the steps to ease monetary policy taken by the BoJ in past months have not been enough to stamp out deflation. So far, the BoJ is resisting pressure to set an inflation target for the economy. The record unemployment rate of 5% in August was unchanged from July. According to government estimates, the rate would rise to over 10% if the number of people who have stopped seeking jobs were added. Industrial production rose in August for the first time in six months, gaining 0.8% from July, but the Ministry of Economy, Trade and Industry expects output to fall 1.4% in September and rebound by only a marginal 0.1% in October.

**The figures for world economic growth reflect our base scenario. Given current global uncertainties, the situation may be worse than envisaged in the present report. Specifically, the persisting doubts about the US recovery path, depending on the effectiveness of monetary easing and fiscal stimuli, the mounting risk of a deeper recession in Japan and the fears of a more extensive slowdown in other parts of the world, render a lower scenario possible*

Euro-zone

Despite some weakness in Germany, euro-zone remains relatively robust

The rise in German industrial production in August was much stronger than expected, at 2% month-on-month. However, the figure was distorted to the upside, due to a holiday effect in July. In the less volatile two-month comparison (July/August versus May/June), output declined by 0.4%. The picture is similar for German foreign trade. A very good export result for August contributed much to the high trade surplus. In contrast, a decline in goods imports points to weakening domestic activity. This trend is confirmed by German unemployment, which rose again in September, after remaining unchanged for 12 months. Output in Spain also rose surprisingly in August, after falling for seven months. Collectively, the euro-zone is expected to remain relatively robust, as Germany is still expected to be on track towards recovery and the French and Italian economies are still showing signs of resilience. The European Commission has already taken steps to shore up the ailing companies in the airline industry and the state of anticipation and uncertainty in the USA could lead to more investment pouring into Europe, which is emerging as the only area to enjoy positive prospects within the OECD.

Former Soviet Union

Continued brisk performance in Russian economy, as industrial production and private consumption exhibit strong growth

The Russian economy, in its third year of growth after almost a decade of recession, continues to be one of the few bright spots on the world economic stage. Industrial production growth has exceeded expectations, real income rises have encouraged private consumption and an abundant harvest in the agricultural sector has helped moderate inflation. Cumulatively, gross output in industry rose by 5.3% in January-to-August, from the same period last year. Within the industrial sector, fuel output rose by 6.1% during the same period, with oil output surging ahead at 7.4%. In contrast, natural gas production continued to contract, dropping by 2% year-on-year in January-to-August. However, rising real incomes this year, at 7.2%, and real wages, at 18%, have resulted in strong consumer demand, partly satisfied by higher imports, thus reducing the trade surplus. The economy continues to be highly dependent on oil, since crude and products account for a third of total exports, rising to 52%, if one includes gas exports. Moreover, energy companies account for over 50% of domestic investment in Russia. Thus the economy is vulnerable to oil price fluctuations. The Deutsche Bank estimates that a US $1 per barrel drop in the oil price leads to a $1 billion fall in export values. Russian officials also believe that, if the oil price should fall below $18.5/b next year, Russia may have to resort to IMF financing in the short term to meet its debt service obligations. However, the impact of lower oil prices on government revenue may be dampened by the new tax on mineral resources, to be introduced next year, which envisages a fixed sum per ton of oil. In the meantime, however, as a result of the stronger energy prices of the last two years, Russia is now in a comfortable financial situation and has even indicated its readiness to repay some of its debts to the IMF ahead of schedule. Reserves continue to rise, having reached a total of $37.9 bn in the week ending 28 September, while the government has accumulated a fiscal surplus of $5.5 bn. As a reflection of the improved financial standing of the Russian Federation, Moody's Investors Service recently raised its rating on the Russian rouble-denominated bonds to B1 from B3.

Eastern Europe

Major East European economies on track despite slowdown in the EU

In the aftermath of the events of 11 September and following the drop in the consumer price index in August of 0.2% month-on-month to 5.5% y-o-y, the Czech National Bank left interest rates steady at its end-September meeting. This reflects the official view that the Czech Republic is at a different phase to those countries where rates have been cut significantly. However, the inflationary picture remains mixed. Recent data on retail sales (up 5.8% year-on-year [y-o-y] in July), GDP (up 3.9% in the second quarter) and industrial production (up 8.7% over January–July) all points to buoyant growth, and the outlook for wage growth places upward pressure on inflationary expectations. Hungary's macroeconomic outlook remains solid in the near term. The economy has already demonstrated remarkable resilience to a weaker economic environment in the European Union by growing by 4.2% y-o-y in the first half of the year. This was partly due to a high level of competitiveness and productivity gains, which reflected an early start to structural reform and large foreign direct investment (FDI) inflows. These gains allowed Hungarian exporters to maintain double-digit growth rates, even after the forint strengthened by 6–8% in nominal terms during the summer. Moreover, headline inflation fell from 10.8% y-o-y in May to 8.7% y-o-y in August, putting the year-end target of 7–8% within comfortable reach. In Poland, the economic data indicates that monetary policy remains exceedingly tight. Inflation has plummeted, probably below 5% in September. GDP growth slowed to a mere 0.9% in the second quarter, reflecting the weaker global environment. In this environment, the zloty looks increasingly vulnerable. Despite strong exports so far, it is expected that the current account balance will be under pressure as the EU slows down further.

Global slow-down and uncertainty reflected adversely on DC economic performance in September

Developing countries

Global economic slow-down, coupled with uncertainty in the USA in the aftermath of the 11 September events, will be reflected negatively in forecasts on developing world GDP growth rates. In Asia, the fall in US demand for electronics imports will be exacerbated, particularly if US consumer confidence deteriorates. Despite the speed of the run-down of US inventories, a rapid recovery in the electronics sector still looks very unlikely. Some South-East Asian countries are already in recession such as Singpore and Taiwan. The whole region remains vulnerable to currency movements and corporate failures in some sectors. In Brazil, recession has started, while Mexico is already officially in recession. Argentina's financial crisis has affected all markets in the region. The increased risk aversion of investors and a general sense of insecurity are pushing up the cost of capital and reducing the flow of FDI to Latin American countries. In Africa, the FDI decline will exacerbate the tight accessibility to capital and underpin difficulties in financing projects and acquiring new licenses. West African markets, whose currencies are pegged to the euro, may see the euro strengthen as the US dollar weakens, negatively affecting their ability to export competitively and raising fears of devaluation. Capital expenditure levels are expected to fall across the board in the short term.

Sliding oil prices may threaten OPEC Member Country revenue

OPEC Member Countries

Higher oil prices during the last two years have led to significant current account surpluses in several OPEC Member Countries. Undoubtedly, these surpluses will fall this year, as oil prices gradually weaken. In Saudi Arabia, the non-oil sector will enjoy growth of more than 3.5%, as strong oil prices boost consumer confidence and domestic demand. In Kuwait, the healthy budget and current account surplus cannot disguise the fact that the country is in need of economic reform. Thus, the government has recognized that it has to diversity revenue away from oil and reduce state spending on wages to maintain Kuwait's future economic prospects. Venezuela's economy is facing strong downward pressure. Sliding oil prices are reducing the state's revenue and unemployment remains high. Moreover, pressure on the bolivar has triggered corrective measures that are squeezing liquidity, further limiting growth. Public investment, which is the source of growth this year, is struggling with delays in implementation.

Real oil prices fall with slight drop in nominal OPEC Basket price; further dollar depreciation against currency Basket

Oil price, US dollar and inflation

The US dollar fell against all the currencies in the Geneva I + US basket* in September, with the exception of the Swedish krona. The Japanese yen rose by 2.09% to average ¥118.97/$ from ¥121.50/$ in August, while the German mark appreciated by 1.20% to average DM2.147/$ from DM2.173/$ in August.

Following the events of 11 September, the US Federal Reserve Board, the European Central Bank and the Bank of Japan reacted promptly by pumping almost $120 bn into the money markets, in an effort to stabilise the foreign exchange markets and provide as much liquidity to financial markets as possible. On 17 September, the Fed moved for the ninth time this year to lower interest rates, by 50 basis points, bringing the target rate for the federal funds rate to 3%, the lowest since February 1994. This was followed by a similar cut by the ECB, as well as easing by other central banks. Japan also lowered the largely symbolic overnight discount rate on 18 September to 0.15% from 0.35%, and raised its target for bank reserves. Dollar losses against the euro and the yen were kept within bounds. The dollar fell from ¥121.6 on 11 September to ¥117.2 on 21 September, while the euro, which had been falling in the first week of September, rose from $0.8852 to almost $0.9269 on 17 September, but it had fallen again to about $0.91 by the end of the month. The Japanese authorities resorted to several interventions estimated to have cost $25–30 bn in order to arrest the rise of the yen, mostly unsuccessfully. Only by the end of the month did the yen weaken to ¥119.3/$.

The OPEC spot Reference Basket fell by $0.17/b, or 0.70%, in September to average $24.29/b from $24.46/b in August. In real terms (base July 1990 = 100), after accounting for inflation and currency fluctuations, the Basket price fell by 1.92% to reach $22.03/b from $22.46/b, as the dollar depreciation added to the loss from the fall in the nominal oil price. The dollar fell by 1.13%, as measured by the import-weighted Geneva I + US dollar basket, while inflation was estimated at 0.11% in September.

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* *The 'Geneva I + US dollar' basket includes eight leading European currencies and the Japanese yen and the US dollar, weighted according to the merchandise imports of OPEC MCs from the countries in the basket.*

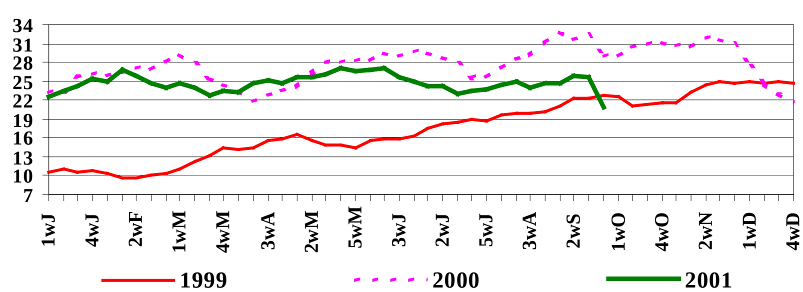
CRUDE OIL PRICE MOVEMENTS

OPEC Basket decreased by $0.17/b to average $24.29/b in September

The monthly price of OPEC's spot Reference Basket slid in September, surrendering some of August's gains. It fell by $0.17/b to average $24.29/b, the fourth lowest monthly average price for the year. Most of the Basket's components registered losses, with the exception of the Brent-related Bonny Light and Saharan Blend, which rose by $0.57/b and $0.17/b respectively. Leading the decline was Tia Juana Light, which fell by $0.82/b, followed by Isthmus and Dubai, which posted losses of $0.37/b and $0.33/b respectively. Minas and Arabian Light finished the month $0.23/b and $0.19/b lower.

On a weekly basis, the Basket displayed a great deal of volatility, falling during the first week and staging a recovery during the second. However, during the remaining two weeks of September, the Basket's weekly average price experienced a dramatic drop, losing close to 19% of its value. The average price of the Basket retreated slightly, by $0.07/b, in the first week of the month, responding to a diversity of bearish and bullish factors. On the positive side were the weekly stock figures released by the American Petroleum Institute (API), which showed draws on crude and product inventories, especially distillates, as well as concern over Iraqi exports. Nonetheless, profit-taking after the previous week's rally and concern over the fate of the world economy overshadowed the positive facts. The Basket reversed its direction in the second week, gaining $1.23/b, with one of the two major energy markets closed for most of the week, after the tragic events of 11 September in the USA. Meanwhile, across the Atlantic, Brent markets remained open throughout the week, with the benchmark (dated Brent) surging by more than $1.50/b in the aftermath of the attack. Markets returned shortly thereafter to fundamentals, focusing on the slow-down in demand for oil and petroleum products and bringing Brent prices close to the pre-11 September levels. Once again, the Basket changed direction, falling by $0.23/b to average $25.65/b during the third week, as concern over the slow-down in the global economy overshadowed fears that military action could somehow disrupt oil flows. During the fourth week, crude prices plummeted, with the Basket losing $4.68/b, or almost 20%, to average $20.97/b. This accentuated the downward path which had begun the previous week, amid growing expectations that the US economy would show further weakness, with negative consequences for oil demand.

Graph 1
OPEC Reference Basket — weekly spot crude prices
US $/b



US and European markets

Benchmark crude prices plummeted, in aftermath of 11 September events

The fall in dated Brent, which widened the WTI/dated Brent differential, was not sufficient to encourage transatlantic movements to the East Coast; however, reported stock-draws on gasoline, distillates and crude encouraged the movement of West African crudes. Physical trading came to a halt on 11 September, in the aftermath of the attack in the USA, but, even when activity was resumed, the closure of the NYMEX severely hampered the pricing and negotiation of cargoes. The impact of the tragic events in New York and Washington, the expectation of a global recession and the fall in jet fuel consumption resulted in the plummeting of the Atlantic Basin benchmarks, with WTI falling by more than $2/b and dated Brent losing $3/b.

In Europe, dated Brent started to ease in the first week of September, after Shell ended the buying spree that had started in late August and lasted until the early days of September. The fall in dated Brent prices widened the WTI/Brent differential towards the beginning of the second week of September, increasing the prospects of the arbitrage window that had been closed since mid-August. Brent prices remained volatile after the tragic events in the USA, rising initially to almost $29/b on 11 September and then retreating over the next two trading days, to shoot up again towards the end of the week and approach the $30/b mark. Refiners' margins deteriorated as crude prices outpaced product prices, with margins for simple yield refineries in North-West Europe falling by $0.47/b to $0.75/b and for complex refineries at $5.45/b. Towards the end of the month, dated Brent weakened sharply, losing more than $7/b from the mid-month high, opening the spread to WTI and allowing some transatlantic trade.

Far Eastern markets

Asian markets under pressure from weak economic growth, dwindling demand and poor refiners' margins in September

The Asia Pacific market remained affected by faltering economic growth prospects, dwindling oil demand and weak refiners' margins. Ample availability of light sweet grades (Tapis and Cossack) kept prices under pressure. Medium sour grades (Oman) received more support on healthy demand from Asian refiners, who first cleared an overhang of October cargoes and then moved to trade November volumes. Sentiment for light sweet grades was bearish on ample availability and limited demand; however, discussion on November supplies was encouraging.

Table 1
Monthly average spot quotations for OPEC's Reference Basket and selected crudes
US $/b

			Year-to-date average	
	Aug.01	**Sept.01**	2000	2001
Reference Basket	24.46	**24.29**	27.22	**24.71**
Arabian Light	24.92	**24.73**	26.49	24.49
Dubai	24.70	**24.37**	25.70	24.28
Bonny Light	25.41	**25.98**	28.08	26.16
Saharan Blend	25.96	**26.13**	28.29	26.43
Minas	24.82	**24.59**	28.45	25.96
Tia Juana Light	21.54	**20.72**	26.00	21.78
Isthmus	23.86	**23.49**	27.52	23.77
Other crudes				
Brent	25.78	**25.84**	28.04	26.15
WTI	27.41	**26.40**	29.80	27.82
Differentials				
WTI/Brent	1.63	0.56	1.76	1.67
Brent/Dubai	1.08	1.47	2.34	1.87

PRODUCT MARKETS AND REFINERY OPERATIONS

Apart from US light product prices, there were gains across the three main world markets in September, in accordance with regional fundamentals. Falling crude prices paved the way for increased refiners' margins, but did not lead to geared-up refinery throughputs.

US Gulf market

Gasoline market plunged, middle of the barrel was almost steady and fuel oil price soared in USA in September; refiners' margins gained, yet refinery utilization rate declined to 92.8%

The gasoline price dropped by a considerable $1.76/b in September, tracking the usual trend that coincides with the end of the driving season. Furthermore, there was abundant supply, caused by increased gasoline output from refineries and more robust import flows, in anticipation of stronger demand for gasoline, instead of jet fuel, as a consequence of reduced air travel. Robust gasoline demand, however, failed to materialize; preliminary governmental data on the four-week moving average showed demand at levels even lower than last month and a year earlier, by 4.3% and 1.4% respectively. Gasoil was down by a marginal $0.04/b, despite mounting concern about recession. Moreover, on a yearly basis, the natural gas price was much weaker, limiting the future prospects for the switch from fuel to heating oil in electrical utilities amid sufficient distillate stocks, particularly in the US north-east region. In addition, bearish sentiment dominated the distillate markets in the Atlantic Basin, as refiners cut jet fuel production and enhanced heating oil yields. The fuel oil price shrugged off falling crude markets, as it soared by $2.12/b, bolstered by what appears to have been squeezed supply, as a major regional refinery maximized asphalt output, while the other plants opted to use lighter crude; both, in turn, reduced heavily fuel oil availability.

Refiners' margins in the US Gulf enjoyed further increases. The relatively sharp weakness of West Texas Intermediate (WTI), compared with other benchmark crudes, was the underlying factor behind this development.

US refinery throughput experienced another fall of 0.19 mb to 15.36 mb/d, in tandem with the commencement of autumn refinery maintenance and discretionary run cuts. The utilization rate, therefore, declined to 92.8%, which was about one and two percentage points lower than last month's and last year's levels respectively.

Rotterdam market

European light product markets surged in September, due to switched American and European product specifications; fuel oil price also increased; refiners' margins recovered, but refinery utilization rate dipped to 87.9%

The gasoline price soared by $1.52/b in September. Most of the gains occurred during the first two weeks of the month, driven largely by intensive cargo movements to US markets, which switched to less stringent winter gasoline specifications that were easier to meet than the stricter summer grade specifications. A sustained contango in distillate markets encouraged many European countries, including France and the Benelux nations, to replenish their inventories prior to winter. Most importantly, Germany, representing the largest European heating oil consumer, proposed stringent diesel specifications as of 1 November, with ultra low sulphur of 50 parts per million, instead of the current 350 ppm. The introduction of the so-called "city diesel" flourished with the tax break and motivated a buying spree for the new grade by all the country's retailers, after clearing their inventories of existing grades. Both factors were cited as the main reasons for the rise of $0.70/b in the gasoil price. Fuel oil surged by $0.83/b, on the back of a number of supporting factors. One was a 20% restriction on Russian fuel oil exports, to soak up increased domestic consumption. The second factor was healthy bunker demand, while the third was a strong Portuguese utility purchase. These factors, however, offset lower activity on the eastbound route to Singapore, following the incorporation of the new high war-risk premium into insurance costs.

Refiners' margins recovered, switching moderately into positive territory.

Refinery throughput in Eur-16 (EU + Norway) fell by 0.14 mb to 11.99 mb/d, in tandem with refinery run cuts and seasonal maintenance. The equivalent utilization rate was 87.9%, which was one percentage point lower than both last month's and last year's levels.

Singapore markets showed considerable gains in September; refiners' margins jumped into positive territory

Singapore market

For the second consecutive month, gasoline led an upward product market movement in September. The monthly average prices of these products, nonetheless, masked sharp falls that occurred in the last week of the month, driven mainly by the collapsing crude market. Gasoline enjoyed a further large gain of $2.79/b, reflecting essentially the tightly supplied market coinciding with healthy regional and foreign demand during the first half of the month. Precautionary measures by most Asian countries, either to suspend product exports or to extend stocks to avert any possible future shortage in the wake of military attacks, were the underlying factors behind another increase, of $0.73/b, in the gasoil price. Fuel oil surged by a further $0.90/b, gaining support from robust Chinese demand, which was reinforced by issuing a fresh large fuel oil import quota, accounting for six million tonnes until March 2002.

A combination of rising product markets and a fall in the price of Dubai enhanced this crude's refiners' margin, which fluctuated from breakeven point to moderate gains. Persistent growth in fuel oil prices, with the product's yield being considered the highest among refining centres, due to less advanced regional refineries, also boosted refiners' profits.

Refinery throughput in Japan rose by a further 0.20 mb/d to around 4.14 mb in August. The equivalent utilization rate was 83.4%, which was 4.1 percentage points higher than last month's level, but still 1.7 percentage points lower than the previous year's run.

Table 2
Refined product prices
US $/b

		Jul.01	Aug.01	**Sept.01**	**Change Sept./Aug.**
US Gulf					
Regular gasoline	*(unleaded)*	28.21	32.77	**31.01**	–1.76
Gasoil	*(0.2%S)*	28.59	30.19	**30.14**	–0.04
Fuel oil	*(3.0%S)*	17.40	17.67	**19.79**	+2.12
Rotterdam					
Premium gasoline	*(unleaded)*	27.86	29.01 R	**30.53**	+1.52
Gasoil	*(0.2%S)*	29.33	30.18	**30.87**	+0.70
Fuel oil	*(3.5%S)*	17.19	18.40	**19.23**	+0.83
Singapore					
Premium gasoline	*(unleaded)*	24.36	26.68	**29.47**	+2.79
Gasoil	*(0.5%S)*	28.54	28.71	**29.44**	+0.73
Fuel oil	*(380 cst)*	19.19	20.94	**21.85**	+0.90

Table 3
Refinery operations in selected OECD countries

	Refinery throughput *mb/d*			**Refinery utilization*** *%*		
	Jul.01	Aug.01	**Sept.01**	Jul.01	Aug.01	**Sept.01**
USA	15.74	15.55	**15.36**	95.2	94.0	**92.8**
France	1.72	1.77	**1.80**	90.7	93.2	**95.0**
Germany	2.18	2.21 R	**2.03**	96.4	98.0 R	**89.9**
Italy	1.74	1.77 R	**1.78**	73.9	74.9 R	**75.3**
UK	1.45	1.65 R	**1.65**	81.8	93.1 R	**93.4**
Eur-16**	11.80 R	12.13 R	**11.99**	86.4 R	88.9 R	**87.9**
Japan	3.94	4.14	**n.a.**	79.3	83.4	**n.a.**

n.a. *Not available.*
* *Refinery capacities used are in barrels per calendar day.*
** *Fifteen European Union members plus Norway.*
R *Revised since last issue.*
Sources: *OPEC Statistics, Argus, Euroilstock Inventory Report/IEA.*

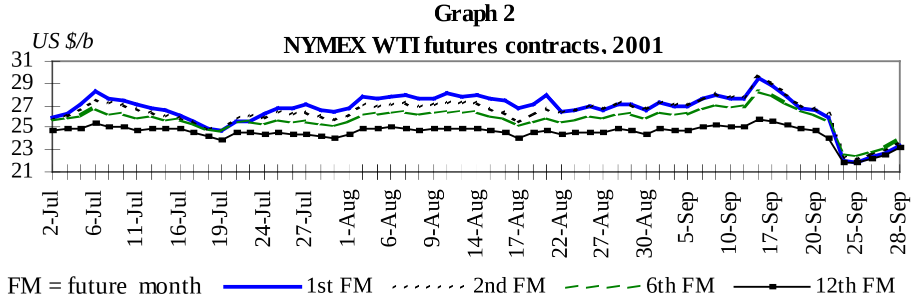
THE OIL FUTURES MARKET

After 11 September, NYMEX WTI witnessed continuous decline, as demand was expected to be lower and as economic recession was priced in

The NYMEX WTI crude oil contract was in contango throughout September. The premium of the second front-month over the first reached a maximum of $0.43/b on 24 September, the week in which the API stock report showed a build of around 3.4 mb in crude inventories. Prices of the WTI front-month contract were around the $27/b mark until 11 September, before jumping to a high of $29.53/b. They then drifted down slowly, to a minimum of $21.81/b on 25 September, after which they recovered slightly to $23.43/b at the month-end. Early in September, crude futures were supported by short-covering, in anticipation of the implementation of OPEC's new output cuts. However, fund-selling reversed the upward movement, despite refinery buying of the October/November spread. The market later responded to the Department of Energy's statistics showing a 2 mb build in crude stocks, rather than the 0.41 mb draw reported by the API, and gained momentum. Giving further support was concern about Iraqi exports, as the pricing period remained a point of contention between the UN and Iraq.

Graph 2

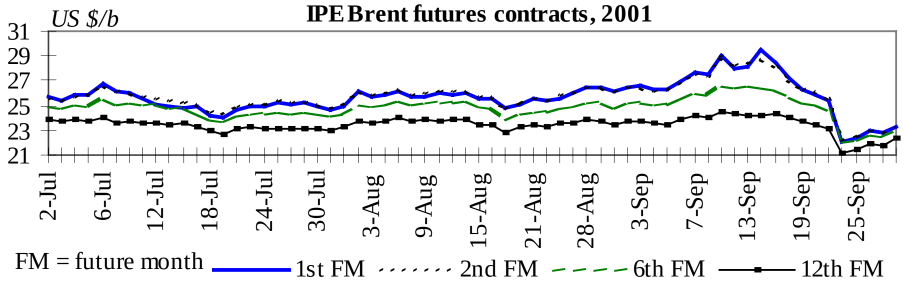
NYMEX WTI futures contracts, 2001



After an initial break above $28/b (for the first time in three months), driven by good product markets, October WTI settled $0.4/b lower on the second day of the second week of September, as traders sold the crude contract and bought the products contract. The events of 11 September caused NYMEX to close; however, IPE Brent futures surged by $3.70/b to $31.05/b the next day, but quickly retreated to $28.02/b, as OPEC assured the market of its commitment to security of supply. When NYMEX resumed trading on 14 September, WTI was at $29.53/b.

Graph 3

IPE Brent futures contracts, 2001



The third week witnessed a continuous decline in prices, as October WTI reached $26.59/b on 20 September. Supply was seen as uninterrupted in the market, while demand was expected to collapse. Even an unseasonal draw on distillate stocks could not excite the market, since many expected that the surplus in jet fuel would be directed to the heating oil pool. Heating oil losses dragged down both gasoline and crude.

On 24 September, WTI lost nearly $4/b, with the market pricing-in recession in the USA and world economy. Both crude and products were sold off, and the selling continued in the Brent market, where International Petroleum Exchange (IPE) Brent reached a 17-month low of $21.7/b. Funds were a major contributor. The sell-off continued, as API showed a huge build of 8.7 mb in gasoline stocks, and the Dow Jones index showed a decline. Prices started an upward move in the last days of the month, as speculative paper came in and some sources said there was a short supply of physical crude in Europe. Further advances came from technical trading, with the market trying to fill the gaps in the earlier price movement. OPEC's decision to keep production unchanged received a neutral response from the market.

THE TANKER MARKET

OPEC area spot-chartering rose by 2.20 mb/b in September

OPEC area spot-chartering increased by 2.20 mb/d to a monthly average of 12.21 mb/d in September, despite signs of a global economic slow-down that would have a negative impact on world oil demand and prices. However, the main reason behind this increase was concern over a possible supply disruption after the attacks of 11 September in the USA, which encouraged charterers to fix cargoes early to beat any potential squeeze in supply in the case of US military action. As a result, global spot-chartering edged 2.58 mb/d higher to a monthly average of 19.56 mb/d; however, this volume was 0.97 mb/d below the year-earlier figure. The OPEC area's share of global spot-chartering increased by 3.47 percentage points to 62.42%, and this level was 0.21 percentage points above the previous year's share. Spot fixtures from the Middle East on eastbound and westbound long-haul routes rose by 0.90 mb/d to 4.23 mb/d and 0.78 mb/d to 2.18 mb/d respectively. Therefore, the shares of Middle East eastbound and westbound fixtures of OPEC total fixtures improved by 1.35 percentage points to 34.66% and 3.84 percentage points to 17.83% respectively; together, they accounted for 52.49% of total chartering in the OPEC area, which was 5.19 percentage points higher than the level observed in the previous month. Preliminary estimates of sailings from the OPEC area declined slightly by 0.10 mb/d to a monthly average of 22.78 mb/d, which was only 0.44 percentage points below last month's level. Sailings from the Middle East declined by 0.24 mb/d to a monthly average of 16.30 mb/d, which was about 71.58% of total OPEC's sailings. Arrivals in the US Gulf Coast, the East Coast and the Caribbean increased in September by 2.18 mb/d to a monthly average of 9.15 mb/d. Arrivals in North-West Europe also rose, by 0.05 mb/d to 6.92 mb/d, while to Euromed they decreased by 0.03 mb/d to 4.60 mb/d. The estimated oil-at-sea on 23 September was 471 mb, which was 9 mb below the level observed at the end of last month.

VLCC freight rates edged higher in September

The tragic events of 11 September that occurred in the USA created uncertainty over the direction of the oil transportation market. The VLCC tanker market in the Middle East, which had been on an upward trend immediately before the attacks, climbed further after the incidents, on rising insurance premiums and hiked bunker prices, which made the Middle East cargoes more expensive than in other regions. Monthly average freight rates on the Middle East eastbound and westbound long-haul routes edged higher, by 17 points to WS73 and 20 points to WS68 respectively, affected by the surge in fixtures to secure oil supply in case of disruptions resulting from US retaliation. The Suezmax markets in the Atlantic were stable, as freight rates showed little movement. Monthly average freight rates on the routes from West Africa to the US Gulf Coast and from North-West Europe to the US East Coast stood at WS93 each, only one point and five points below their respective previous month's levels. Aframax market trading on the short-haul route from the Caribbean to the US East Coast enjoyed a positive trend, driven by increased cargo inquiries and tight end-month tonnage availability, which pushed the rates up by ten points to WS158. However, the Aframax market in the Mediterranean softened, as freight rates on the routes across the Mediterranean and to North-West Europe declined by nine points each to WS144 and WS136 respectively, despite the surge in activity in the second week of the month. Freight rates for 70–100,000 dwt tankers on the Indonesia-to-US West Coast route declined for the second consecutive month, by ten points to WS120.

Clean tanker freight rates displayed mixed trends in September

The product tanker markets displayed mixed trends in September, affected also by the US incidents. On the bearish side, freight rates on the routes from the Middle East and from Singapore to the Far East remained under pressure from sluggish Asian demand, declining further by 18 points to WS185 and three points to WS200 respectively. However, on the positive side, activity picked up significantly in the Atlantic and the Mediterranean markets, helped by the contango market structure and improved refiners' margin. Freight rates from North-West Europe and the Caribbean to US destinations surged by 17 points to WS240 and 36 points to WS230 respectively. On the routes across the Mediterranean and from the Mediterranean to North-West Europe, freight rates improved by 13 points to WS216 and four points to WS235 respectively.

WORLD OIL DEMAND

Projections for 2001

World

World demand forecast for 2001 revised down substantially to 75.93 mb/d

For the present year, the projection for world oil demand has been revised down substantially due to expected lower jet fuel consumption and a further downward adjustment to the world economic growth rate estimate. Consumption is now estimated to rise by 0.22 mb/d, or 0.29%, to average 75.93 mb/d. This very low year-on-year increment is comparable to that in 1998, when demand growth was only 0.21 mb/d, equivalent to 0.30%. On a regional basis, demand is projected to decrease by 0.16 mb/d in the OECD, but to increase by 0.20 mb/d in developing countries and by 0.17 mb/d in the "Other regions" (former CPEs). Table 4 provides more details.

On a quarterly basis, compared with the year-earlier figure, world demand grew by 0.74%, or 0.56 mb/d, to average 76.24 mb/d in the first quarter. It is estimated to have grown by 1.34%, or 0.99 mb/d, to average 74.99 mb/d in the second quarter. The third and fourth quarters, however, are expected to experience negative growth. The reasons for this are the decelerating economic growth in the these two quarters and the declining jet fuel consumption in the fourth quarter. Third-quarter demand is now estimated at 75.94 mb/d, about 0.22 mb/d, or 0.29%, less than that of the third quarter of 2000. Likewise, fourth-quarter demand is expected to be 76.56 mb/d, nearly 0.44 mb/d, or 0.58%, less than that of the year before. Please see Table 5 for details.

Table 4
World oil demand in 2001
mb/d

	2000	1Q01	2Q01	3Q01	4Q01	**2001**	**Change 2001/00** Volume	%
North America	24.10	24.16	23.75	24.33	23.99	24.06	–0.04	–0.2
Western Europe	15.09	15.18	14.77	14.97	15.12	15.01	–0.08	–0.5
OECD Pacific	8.65	9.44	8.00	8.32	8.71	8.61	–0.04	–0.4
Total OECD	**47.84**	**48.77**	**46.52**	**47.62**	**47.82**	**47.68**	**–0.16**	**–0.3**
Other Asia	7.30	7.14	7.48	7.32	7.37	7.33	0.02	0.3
Latin America	4.71	4.56	4.74	4.85	4.77	4.73	0.03	0.6
Middle East	4.35	4.31	4.49	4.59	4.41	4.45	0.10	2.3
Africa	2.30	2.35	2.38	2.29	2.38	2.35	0.05	2.2
Total DCs	**18.66**	**18.36**	**19.09**	**19.05**	**18.94**	**18.86**	**0.20**	**1.1**
FSU	3.77	3.97	3.75	3.54	4.05	3.82	0.06	1.6
Other Europe	0.78	0.79	0.73	0.73	0.81	0.77	–0.01	–1.7
China	4.68	4.35	4.90	5.00	4.94	4.80	0.13	2.7
Total "Other regions"	**9.22**	**9.11**	**9.38**	**9.27**	**9.80**	**9.39**	**0.17**	**1.9**
Total world	**75.72**	**76.24**	**74.99**	**75.94**	**76.56**	**75.93**	**0.22**	**0.3**
Previous estimate	75.71	76.27	75.10	76.26	77.76	76.35	0.64	0.8
Revision	0.00	–0.03	–0.11	–0.31	–1.20	–0.42	–0.42	–0.6

OECD

Having grown by as little as 0.3% last year, OECD product deliveries are projected to post a decline of 0.16 mb/d, or 0.3%, to average 47.68 mb/d in 2001. This drop would be the sum of a 0.04 mb/d, 0.08 mb/d and another 0.04 mb/d decline in North America, Western Europe and OECD Pacific respectively. Table 5 demonstrates how the declines in the third and, especially, the fourth quarters have contributed to the yearly drop in 2001 demand in the OECD. In addition to the weakening GDP growth rate prospects in all three OECD regions, especially the OECD Pacific, the estimated lower jet fuel consumption, particularly in the USA, will be responsible for the overall lower demand in the region. Our estimated 2001 GDP growth rates for North America, Western Europe and the OECD Pacific have been revised down by 0.24%, 0.14% and 0.18% respectively.

Inland delivery of petroleum products in North America in July, according to the latest figures, grew by 0.8%, or 0.190 mb/d, to average 24.19 mb/d. Product deliveries rose by 0.9%, or 0.181 mb/d, to average 20.19 mb/d in the USA and by 3.5%, or 0.067 mb/d, to average 1.98 mb/d in Mexico, while demand in Canada declined by 2.8%, or 0.058 mb/d, to average 2.01 mb/d. Demand in Western Europe inched up, posting a rise of 4.2%, or 0.611 mb/d, during July. However, the OECD Pacific countries displayed a 1.3% decline, or 0.10 mb/d, in the same period. According to the latest figures, demand for petroleum products dropped by 2.3%, or 0.12 mb/d, in Japan. Consumption also contracted by as little as 0.4%, or 0.007 mb/d, in South Korea in July.

DCs

Oil demand in developing countries has been revised down again for 2001. It is now expected to rise by 0.20 mb/d, or 1.1%, to average 18.86 mb/d for the year. The estimated growth rate in consumption has been lowered considerably for the Asian group of countries, from the previous 1.6% to 0.3%. The fundamental factor behind the lower demand outlook is that Asian regional GDP is projected to grow at a substantially lower-than-anticipated rate. These economies are highly export-dependent and are extremely reliant upon the health of their trading partners. The demand growth rates for Latin America, Africa and the Middle East have also been revised down.

Other regions

Apparent demand in the former CPEs is projected to grow by 0.17 mb/d, or 1.9%, to average 9.39 mb/d for 2001. Revisions to the trade and production data for the first quarter show that apparent FSU demand grew by 7.4%, or 0.27 mb/d, compared with the year-earlier figure. The latest assessments indicate that there has been growth of 2.8%, or 0.10 mb/d, in the second quarter. We anticipate a negligible rise in apparent consumption in the third quarter, but a 3.6%, or 0.15 mb/d, decline in the fourth quarter, due to a rise in the level of exports that will outpace any gain in production. During the first and second quarters, net exports were 0.32 mb/d and 0.51 mb/d higher than in the corresponding quarters of 2000. The third quarter could register a 0.31 mb/d gain. High international oil prices, the need for more revenue, in order to service international loans, and the switch to natural gas continue to undermine internal consumption. Indigenous production and trade data for the first three months of the year show a considerable drop in Chinese apparent consumption. According to the latest figures, apparent demand declined by 7.5% during the first quarter. Even though the decline seems huge, one should not forget that this comparison is made with the first quarter of 2000, when demand surged by 17% to reach a first-quarter record level. Second-quarter apparent demand, however, demonstrated a significant rise of 12.3%. This is in line with the considerable recovery in total imports, which registered an impressive 44.4% rise in the second quarter. Therefore, we are still optimistic about the demand outlook for the rest of the year; nonetheless, due to the size and the importance of China in the overall demand picture, we shall continue to monitor closely further developments.

Table 5
World oil demand comparison for 2001
mb/d

			Change 2001/00				**Change 2001/00**	
	3Q00	**3Q01**	Volume	%	**4Q00**	**4Q01**	Volume	%
North America	24.45	24.33	–0.12	–0.5	24.43	23.99	–0.44	–1.8
Western Europe	15.16	14.97	–0.19	–1.3	15.40	15.12	–0.27	–1.8
OECD Pacific	8.35	8.32	–0.03	–0.3	8.81	8.71	–0.11	–1.2
Total OECD	47.96	47.62	–0.34	–0.7	48.64	47.82	–0.82	–1.7
Other Asia	7.46	7.32	–0.14	–1.8	7.39	7.37	–0.02	–0.3
Latin America	4.79	4.85	0.06	1.3	4.72	4.77	0.05	1.1
Middle East	4.46	4.59	0.13	2.9	4.21	4.41	0.20	4.8
Africa	2.30	2.29	–0.01	–0.4	2.31	2.38	0.07	3.0
Total DCs	19.01	19.05	0.04	0.2	18.64	18.94	0.30	1.6
FSU	3.53	3.54	0.01	0.4	4.20	4.05	–0.15	–3.6
Other Europe	0.78	0.73	–0.05	–6.3	0.79	0.81	0.02	2.4
China	4.89	5.00	0.11	2.3	4.74	4.94	0.21	4.3
Total "Other regions"	9.19	9.27	0.08	0.8	9.73	9.80	0.08	0.8
Total world	**76.16**	**75.94**	**–0.22**	**–0.3**	**77.00**	**76.56**	**–0.44**	**–0.6**

World demand forecast for 2002 revised down considerably to 76.52 mb/d

In view of market uncertainties and possibility of further downward revision of world economic growth rates, demand figures might be revised down further

Forecasts for 2002

Due to a downward revision to the world economic growth rate, all quarterly forecasts have, in turn, been revised down. However, the anticipated lower jet fuel consumption has been applied to the first-quarter figures only. As a result, the 2002 world demand forecast has been revised down substantially to 76.52 mb/d, compared with the previous forecast of 77.36. The average yearly increment now stands at 0.58 mb/d, or 0.8%, compared with 1.01 mb/d, equivalent to 1.3%, as mentioned in the previous *MOMR*.

The estimated 2002 growth level is similar to that experienced in 2000, but it is significantly higher than that of 2001. However, this assessment would be subject to further adjustment, as more information becomes available on major factors, such as the economic growth outlook, the trend in air travel and jet fuel consumption, prices and the weather. The regional and quarterly breakdowns of the demand forecast are given in Table 6. Comparisons between first- and second-quarter figures of 2001 and 2002 are presented in Table 7.

Table 6
World oil demand forecast for 2002
mb/d

	2001	1Q02	2Q02	3Q02	4Q02	2002	Change 2002/01 Volume	Change 2002/01 %
North America	24.06	24.00	23.96	24.37	24.28	24.15	0.10	0.4
Western Europe	15.01	15.19	14.61	14.82	15.32	14.98	–0.03	–0.2
OECD Pacific	8.61	9.45	7.89	8.25	8.92	8.63	0.01	0.2
Total OECD	**47.68**	**48.64**	**46.45**	**47.44**	**48.53**	**47.76**	**0.08**	**0.2**
Other Asia	7.33	7.28	7.55	7.34	7.57	7.44	0.11	1.5
Latin America	4.73	4.55	4.78	4.89	4.81	4.76	0.02	0.5
Middle East	4.45	4.42	4.62	4.73	4.55	4.58	0.13	2.9
Africa	2.35	2.40	2.42	2.35	2.42	2.40	0.05	2.0
Total DCs	**18.86**	**18.65**	**19.38**	**19.31**	**19.35**	**19.17**	**0.31**	**1.6**
FSU	3.82	3.88	3.71	3.91	4.15	3.91	0.09	2.3
Other Europe	0.77	0.83	0.78	0.73	0.82	0.79	0.02	3.1
China	4.80	4.56	4.99	5.00	4.96	4.88	0.08	1.6
Total "Other regions"	**9.39**	**9.27**	**9.48**	**9.64**	**9.93**	**9.58**	**0.19**	**2.0**
Total world	**75.93**	**76.55**	**75.31**	**76.39**	**77.81**	**76.52**	**0.58**	**0.8**
Previous estimate	76.35	77.75	75.53	76.93	79.24	77.36	1.01	1.3
Revision	–0.42	–1.20	–0.22	–0.54	–1.43	–0.85	–0.43	–0.6

Table 7
World oil demand comparison for 2002
mb/d

	1Q01	1Q02	Change 2002/01 Volume	Change 2002/01 %	2Q01	2Q02	Change 2002/01 Volume	Change 2002/01 %
North America	24.16	24.00	–0.16	–0.7	23.75	23.96	0.21	0.9
Western Europe	15.18	15.19	0.01	0.1	14.77	14.61	–0.17	–1.1
OECD Pacific	9.44	9.45	0.01	0.1	8.00	7.89	–0.10	–1.3
Total OECD	48.77	48.64	–0.14	–0.3	46.52	46.45	–0.06	–0.1
Other Asia	7.14	7.28	0.14	2.0	7.48	7.55	0.07	1.0
Latin America	4.56	4.55	–0.01	–0.3	4.74	4.78	0.04	0.8
Middle East	4.31	4.42	0.11	2.6	4.49	4.62	0.13	3.0
Africa	2.35	2.40	0.05	2.2	2.38	2.42	0.04	1.8
Total DCs	18.36	18.65	0.29	1.6	19.09	19.38	0.28	1.5
FSU	3.97	3.88	–0.09	–2.2	3.75	3.71	–0.04	–1.1
Other Europe	0.79	0.83	0.04	4.5	0.73	0.78	0.05	7.1
China	4.35	4.56	0.20	4.7	4.90	4.99	0.08	1.7
Total "Other regions"	9.11	9.27	0.15	1.7	9.38	9.48	0.10	1.0
Total world	**76.24**	**76.55**	**0.31**	**0.4**	**74.99**	**75.31**	**0.32**	**0.4**

WORLD OIL SUPPLY

Non-OPEC

Figures for 2001

2001 non-OPEC supply figure revised up to 46.36 mb/d

The 2001 non-OPEC supply figure has been revised up from the last *MOMR* by 0.06 mb/d to 46.36 mb/d. The quarterly distribution figures for the first quarter remain unchanged, while those for the second, third and fourth quarters have been revised up by 0.05 mb/d, 0.05 mb/d and 0.14 mb/d to 46.02 mb/d, 46.36 mb/d and 46.77 mb/d respectively. The yearly average increase is estimated at 0.58 mb/d, compared with the 2000 figure.

Table 8
Non-OPEC oil supply in 2001
mb/d

	2000	1Q01	2Q01	3Q01	4Q01	**2001**	**Change 01/00**
North America	14.29	14.22	14.34	14.42	14.52	14.38	0.09
Western Europe	6.74	6.78	6.54	6.47	6.64	6.61	–0.13
OECD Pacific	0.83	0.80	0.76	0.80	0.81	0.79	–0.04
Total OECD	**21.86**	**21.80**	**21.65**	**21.69**	**21.97**	**21.78**	**–0.08**
Other Asia	2.23	2.30	2.25	2.32	2.31	2.29	0.06
Latin America	3.74	3.78	3.66	3.71	3.80	3.74	–0.01
Middle East	2.14	2.16	2.18	2.17	2.21	2.18	0.04
Africa	2.85	2.82	2.79	2.85	2.87	2.83	–0.01
Total DCs	**10.96**	**11.06**	**10.87**	**11.05**	**11.19**	**11.04**	**0.09**
FSU	7.91	8.25	8.39	8.45	8.43	8.38	0.47
Other Europe	0.18	0.18	0.18	0.18	0.19	0.18	0.00
China	3.23	3.29	3.25	3.30	3.30	3.29	0.06
Total "Other regions"	**11.32**	**11.73**	**11.82**	**11.93**	**11.92**	**11.85**	**0.53**
Total non-OPEC production	**44.13**	**44.59**	**44.33**	**44.67**	**45.08**	**44.67**	**0.54**
Processing gains	1.65	1.69	1.69	1.69	1.69	1.69	0.04
Total non-OPEC supply	**45.78**	**46.28**	**46.02**	**46.36**	**46.77**	**46.36**	**0.58**
Previous estimate	45.78	46.28	45.97	46.31	46.63	46.30	0.52
Revision	**0.00**	**0.00**	**0.05**	**0.05**	**0.14**	**0.06**	**0.06**

Totals may not add, due to independent rounding.

2002 non-OPEC supply forecast revised up by 0.13 mb/d to 47.36 mb/d

Expectations for 2002

Our preliminary forecast for 2002 non-OPEC supply has been revised up by 0.13 mb/d since the last *MOMR* and projects an increase of 1.00 mb/d, compared with the estimated figure for 2001. The expected 2002 quarterly distribution is 47.27 mb/d, 47.01 mb/d, 47.36 mb/d and 47.77 mb/d respectively, resulting in a yearly average of around 47.36 mb/d.

Table 9
Non-OPEC oil supply in 2002
mb/d

	2001	1Q02	2Q02	3Q02	4Q02	2002	Change 02/01
North America	14.38	14.46	14.58	14.65	14.76	14.61	0.24
Western Europe	6.61	6.80	6.57	6.50	6.67	6.64	0.03
OECD Pacific	0.79	0.78	0.74	0.78	0.79	0.77	–0.02
Total OECD	**21.78**	**22.05**	**21.89**	**21.93**	**22.22**	**22.02**	**0.25**
Other Asia	2.29	2.32	2.27	2.34	2.33	2.31	0.02
Latin America	3.74	3.85	3.73	3.79	3.88	3.81	0.07
Middle East	2.18	2.16	2.18	2.17	2.21	2.18	0.00
Africa	2.83	2.95	2.91	2.98	3.00	2.96	0.13
Total DCs	**11.04**	**11.28**	**11.08**	**11.27**	**11.41**	**11.26**	**0.22**
FSU	8.38	8.71	8.86	8.93	8.90	8.85	0.47
Other Europe	0.18	0.18	0.18	0.18	0.19	0.18	0.00
China	3.29	3.32	3.28	3.33	3.33	3.32	0.03
Total "Other regions"	**11.85**	**12.22**	**12.32**	**12.44**	**12.42**	**12.35**	**0.50**
Total non-OPEC production	**44.67**	**45.55**	**45.29**	**45.64**	**46.05**	**45.64**	**0.97**
Processing gains	1.69	1.72	1.72	1.72	1.72	1.72	0.03
Total non-OPEC supply	**46.36**	**47.27**	**47.01**	**47.36**	**47.77**	**47.36**	**1.00**
Previous estimate	46.30	47.20	46.89	47.25	47.56	47.23	0.93
Revision	**0.06**	**0.07**	**0.12**	**0.12**	**0.21**	**0.13**	**0.07**

Totals may not add, due to independent rounding.

Net FSU oil export figures revised up for 2001 and 2002 to 4.56 mb/d and 4.94 mb/d respectively

The FSU net oil export estimate for 2001 has been revised up by 0.04 mb/d to 4.56 mb/d, while that for 2000 remains unchanged at 4.14 mb/d, compared with the last *MOMR*. Our forecast for 2002 has been revised up by around 0.04 mb/d to 4.94 mb/d.

Table 10
FSU net oil exports
mb/d

	1Q	2Q	3Q	4Q	Year
1998	2.77	3.02	3.18	3.20	**3.04**
1999	3.12	3.62	3.52	3.49	**3.44**
2000	3.97	4.13	4.47	4.01	**4.14**
2001 (estimate)	4.28	4.64	4.91	4.38	**4.56**
2002 (forecast)	4.84	5.15	5.01	4.75	**4.94**

OPEC natural gas liquids

No revisions made to OPEC NGL data

The OPEC NGL figures for 1998–2002 remain unchanged at 2.78 mb/d, 2.86 mb/d, 2.98 mb/d, 3.01 mb/d and 3.04 mb/d respectively, compared with the last *MOMR*.

OPEC NGL production — 1998–2002
mb/d

1998	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	Change 01/00	2002	Change 02/01
2.78	**2.86**	**2.98**	3.01	3.01	3.01	3.01	**3.01**	0.03	**3.04**	0.03

Available secondary sources put OPEC's September production at 26.96 mb/d

OPEC crude oil production

Available secondary sources indicate that, in September, OPEC output was 26.96 mb/d, which was 0.68 mb/d lower than the revised August level of 27.64 mb/d. Table 9 shows OPEC production, as reported by selected secondary sources.

Table 11
OPEC crude oil production, based on secondary sources
1,000 b/d

	1999	2000	2Q01	Aug.01*	**Sept.01***	3Q01	Sept.01–Aug.01
Algeria	766	808	820	843	**818**	834	–24
Indonesia	1,310	1,280	1,216	1,210	**1,195**	1,206	–15
IR Iran	3,509	3,671	3,676	3,733	**3,648**	3,711	–85
Iraq	2,507	2,551	2,282	2,769	**2,631**	2,497	–138
Kuwait	1,907	2,101	2,016	2,025	**1,973**	2,008	–53
SP Libyan AJ	1,337	1,405	1,365	1,389	**1,350**	1,373	–39
Nigeria	1,983	2,031	2,051	2,066	**2,199**	2,087	133
Qatar	641	698	685	691	**660**	681	–31
Saudi Arabia	7,655	8,248	7,922	7,950	**7,703**	7,893	–247
UAE	2,077	2,252	2,174	2,140	**2,061**	2,119	–79
Venezuela	2,808	2,897	2,846	2,827	**2,727**	2,797	–100
Total OPEC	**26,499**	**27,943**	**27,051**	**27,641**	**26,964**	**27,205**	**–677**

Totals may not add, due to independent rounding.
** Not all sources available.*

STOCK MOVEMENTS

Moderate build of 0.77 mb/d in USA in September

USA

US commercial onland oil stocks showed a moderate build of 26.3 mb, or 0.77 mb/d, to stand at 1,027.4 mb during the period 31 August – 5 October. A considerable build in gasoline stocks of 11.4 mb to 206.1 mb contributed mainly to this increase, as apparent gasoline demand fell rapidly, following the 11 September attacks on the USA. Other major product inventories also witnessed some increases, notably distillates, which rose by 4.2 mb to 124.6 mb due to increasing production. Fuel oil and jet kerosene moved up by 1.1 mb each to 36.7 mb and 44.0 mb respectively, on lower fuel oil demand as a result of the mild weather and the substitution of cheaper natural gas and stagnant jet kerosene demand, amid slumping air travel. Crude oil stocks also contributed to this build, rising by 4.9 mb to 307.4 mb, due to increasing imports and despite higher refinery runs. The overall stock level was 72.7 mb, or about 8%, above last year's figure.

Table 12
US onland commercial petroleum stocks*
mb

	30 Mar.01	29 Jun.01	31 Aug.01	5 Oct.01	Change Sept./Aug.	5 Oct.00
Crude oil (excl. SPR)	303.2	310.7	302.5	**307.4**	**4.9**	277.9
Gasoline	193.0	221.6	194.7	206.1	11.4	195.8
Distillate fuel	104.0	112.8	120.4	124.6	4.2	115.3
Residual fuel oil	39.8	42.5	35.6	36.7	1.1	37.4
Jet fuel	40.1	43.0	42.9	44.0	1.1	42.3
Unfinished oils	101.3	90.4	89.4	88.9	–0.5	86.9
Other oils	142.1	191.4	215.6	219.7	4.1	199.1
Total	**923.5**	**1,012.4**	**1,001.1**	**1,027.4**	**26.3**	**954.7**
SPR	542.3	543.3	543.7	544.8	1.1	569.6

** At end of month, unless otherwise stated.* *Source: US/DOE-EIA.*

During the same period, the US Strategic Petroleum Reserve (SPR) rose by 1.1 mb to 544.8 mb.

Western Europe

Contra-seasonal draw of 0.29 mb/d in Eur-16 in September

Commercial onland oil stocks in Eur-16 in September declined by 8.6 mb, or 0.29 mb/d, to 1,051.1 mb. Distillates led this draw, as they fell contra-seasonally by 7.6 mb to 322.3 mb, on the back of higher demand, which was fuelled by lower prices. Also, other major product stocks showed some declines, especially fuel oil stocks, which decreased by 1.7 mb to 121.1 mb, due to lower output as well as reduced Russian exports. Gasoline declined by 1.0 mb to 146.1 mb on decreased production. A minor build of 2.5 mb to 436.6 mb in crude oil stocks diminished the draw. Hence, the overall level was 13.7 mb, or about 1%, less than that registered a year ago.

Table 13
Western Europe commercial oil stocks*
mb

	Mar.01	Jun.01	Aug.01	Sept.01	Change Sept./Aug.	Sept.00
Crude oil	451.7	438.5	434.1	**436.6**	**2.5**	432.5
Mogas	158.3	155.6	147.1	146.1	–1.0	151.8
Naphtha	22.0	25.1	26.0	25.1	–0.9	24.9
Middle distillates	330.8	331.4	329.9	322.3	–7.6	336.6
Fuel oils	123.6	122.2	122.8	121.1	–1.7	119.1
Total products	634.7	634.3	625.7	**614.5**	**–11.1**	632.4
Overall total	**1,086.3**	**1,072.8**	**1,059.8**	**1,051.1**	**–8.6**	**1,064.9**

** At end of month, and region consists of Eur-16.* *Source: Argus Euroilstock*

Japan

Seasonal build of 0.22 mb/d in Japan in August

In August, commercial onland oil stocks in Japan regained some of the previous month's losses when they increased by 6.7 mb, or 0.22 mb/d, to stand at 190.7 mb. Most of the build occurred in distillate stocks, which rose by 6.6 mb to 43.1 mb, due to increasing distillate production, as well as steadying demand. This was followed by residual fuel oil and gasoline stocks, which moved up marginally by 0.9 mb to 18.8 mb and by 0.6 mb to 13.9 mb respectively. Crude oil stocks continued to decrease, declining by 1.3 mb to 115.0 mb, on the back of ongoing increasing refinery runs. Total stocks were 2.0 mb, or about 1%, below the year-earlier level.

Table 14
Japan's commercial oil stocks*
mb

	Mar.01	Jun.01	Jul.01	Aug.01	Change Aug./Jul.	Aug.00
Crude oil	118.7	127.3	116.3	**115.0**	**–1.3**	115.1
Gasoline	14.6	14.3	13.3	13.9	0.6	13.8
Middle distillates	31.4	33.6	36.5	43.1	6.6	44.5
Residual fuel oil	20.2	19.8	17.9	18.8	0.9	19.4
Total products	66.3	67.7	67.7	75.8	8.1	77.6
Overall total **	185.0	195.1	184.0	**190.7**	**6.7**	192.7

** At end of month;* *** Includes crude oil and main products only. Source: MITI, Japan*

BALANCE OF SUPPLY AND DEMAND

2001 supply/demand difference revised down to 26.6 mb/d

World oil demand has been revised down by around 0.4 mb/d since the last *MOMR*, while non-OPEC oil supply has been revised up by 0.1 mb/d, to estimates of 75.9 mb/d and 49.4 mb/d respectively. The yearly average difference has been adjusted down by around 0.5 mb/d to 26.6 mb/d, with quarterly distributions of 27.0 mb/d, 26.0 mb/d, 26.6 mb/d and 26.8 mb/d respectively. The balance for the first quarter remains unchanged at 1.1 mb/d, while that for the second quarter has been revised up by around 0.2 mb/d to 1.1 mb/d. The balance for the third quarter, introduced for the first time, is estimated at 0.6 mb/d. The 2000 balance remains unchanged at 1.0 mb/d, compared with last month's *MOMR*.

Table 15
Summarized supply/demand balance for 2001
mb/d

	2000	1Q01	2Q01	3Q01	4Q01	**2001**
(a) World oil demand	75.7	76.2	75.0	75.9	76.6	75.9
(b) Non-OPEC supply[1]	48.8	49.3	49.0	49.4	49.8	49.4
Difference (a – b)	**27.0**	**27.0**	**26.0**	**26.6**	**26.8**	**26.6**
OPEC crude oil production[2]	27.9	28.1	27.1	27.2		
Balance	**1.0**	**1.1**	**1.1**	**0.6**		

(1) Including OPEC NGLs.
(2) Selected secondary sources.
Totals may not add, due to independent rounding.

2002 supply/demand revised down drastically to 26.1 mb/d

The summarized supply/demand balance table for 2002 shows a sharp downward revision to the world oil demand forecast of around 0.8 mb/d to 76.5 mb/d, while total non-OPEC supply has been revised up by around 0.1 mb/d to 50.4 mb/d. This has resulted in an expected annual difference of around 26.1 mb/d, down by around 1.0 mb/d, compared with the last *MOMR*, with a quarterly distribution of 26.2 mb/d, 25.3 mb/d, 26.0 mb/d and 27.0 mb/d respectively.

Table 16
Summarized supply/demand balance for 2002
mb/d

	2001	1Q02	2Q02	3Q02	4Q02	**2002**
(a) World oil demand	75.9	76.5	75.3	76.4	77.8	76.5
(b) Non-OPEC supply[1]	49.4	50.3	50.1	50.4	50.8	50.4
Difference (a – b)	**26.6**	**26.2**	**25.3**	**26.0**	**27.0**	**26.1**

(1) Including OPEC NGLs.
Totals may not add, due to independent rounding.

Table 17
World oil demand/supply balance

mb/d

	1998	**1999**	**2000**	1Q01	2Q01	3Q01	4Q01	**2001**	1Q02	2Q02	3Q02	4Q02	**2002**
World demand													
OECD	46.8	47.7	47.8	48.8	46.5	47.6	47.8	47.7	48.6	46.5	47.4	48.5	47.8
North America	23.1	23.8	24.1	24.2	23.7	24.3	24.0	24.1	24.0	24.0	24.4	24.3	24.2
Western Europe	15.3	15.2	15.1	15.2	14.8	15.0	15.1	15.0	15.2	14.6	14.8	15.3	15.0
Pacific	8.4	8.7	8.7	9.4	8.0	8.3	8.7	8.6	9.5	7.9	8.2	8.9	8.6
DCs	18.2	18.5	18.7	18.4	19.1	19.1	18.9	18.9	18.6	19.4	19.3	19.3	19.2
FSU	4.3	4.0	3.8	4.0	3.7	3.5	4.0	3.8	3.9	3.7	3.9	4.2	3.9
Other Europe	0.8	0.8	0.8	0.8	0.7	0.7	0.8	0.8	0.8	0.8	0.7	0.8	0.8
China	3.8	4.2	4.7	4.4	4.9	5.0	4.9	4.8	4.6	5.0	5.0	5.0	4.9
(a) Total world demand	73.8	75.1	75.7	76.2	75.0	75.9	76.6	75.9	76.5	75.3	76.4	77.8	76.5
Non-OPEC supply													
OECD	21.8	21.3	21.9	21.8	21.6	21.7	22.0	21.8	22.0	21.9	21.9	22.2	22.0
North America	14.5	14.1	14.3	14.2	14.3	14.4	14.5	14.4	14.5	14.6	14.7	14.8	14.6
Western Europe	6.6	6.6	6.7	6.8	6.5	6.5	6.6	6.6	6.8	6.6	6.5	6.7	6.6
Pacific	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8
DCs	10.5	10.8	11.0	11.1	10.9	11.0	11.2	11.0	11.3	11.1	11.3	11.4	11.3
FSU	7.3	7.5	7.9	8.2	8.4	8.5	8.4	8.4	8.7	8.9	8.9	8.9	8.9
Other Europe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
China	3.2	3.2	3.2	3.3	3.2	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Processing gains	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total non-OPEC supply	44.5	44.6	45.8	46.3	46.0	46.4	46.8	46.4	47.3	47.0	47.4	47.8	47.4
OPEC NGLs	2.8	2.9	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
(b) Total non-OPEC supply and OPEC NGLs	47.3	47.4	48.8	49.3	49.0	49.4	49.8	49.4	50.3	50.1	50.4	50.8	50.4
OPEC crude oil production (secondary sources)	27.8	26.5	27.9	28.1	27.1	27.2							
Total supply	75.0	73.9	76.7	77.4	76.1	76.6							
Balance (stock change and miscellaneous)	1.2	-1.2	1.0	1.1	1.1	0.6							
Closing stock level (outside FCPEs) mb													
OECD onland commercial	2698	2446	2527	2519	2602								
OECD SPR	1249	1228	1210	1210	1207								
OECD total	3947	3675	3738	3729	3809								
Other onland	1056	983	1000	997	1019								
Oil-on-water	859	808	864	906	834								
Total stock	5861	5466	5601	5632	5662								
Days of forward consumption in OECD													
Commercial onland stocks	57	51	53	54	55								
SPR	26	26	25	26	25								
Total	83	77	78	80	80								
Memo items													
FSU net exports	3.0	3.4	4.1	4.3	4.6	4.9	4.4	4.6	4.8	5.2	5.0	4.7	4.9
(a) - (b)	26.5	27.7	27.0	27.0	26.0	26.6	26.8	26.6	26.2	25.3	26.0	27.0	26.1

Note: Totals may not add up due to independent rounding.

Table 18
World oil demand/supply balance: changes from last month's table †
mb/d

	1998	**1999**	**2000**	1Q01	2Q01	3Q01	4Q01	**2001**	1Q02	2Q02	3Q02	4Q02	**2002**
World demand													
OECD	-	-	-	-	-	-	-0.7	-0.2	-0.8	-0.1	-0.1	-0.8	-0.4
North America	-	-	-	-	-	-	-0.5	-0.1	-0.5	-0.1	-0.1	-0.5	-0.3
Western Europe	-	-	-	-	-	-	-0.1	-	-0.2	-	-	-0.1	-0.1
Pacific	-	-	-	-	-	-	-0.1	-	-0.1	-	-	-0.1	-0.1
DCs	-	-	-	-	-	-0.2	-0.4	-0.1	-0.3	-0.1	-0.3	-0.5	-0.3
FSU	-	-	-	-	-0.1	0.1	-0.1	-	-	-	0.1	-0.1	-
Other Europe	-	-	-	-	-	-0.1	-	-	-	-	-	-	-
China	-	-	-	-	-	-0.2	-	-	-0.1	-0.1	-0.2	-0.1	-0.1
(a) Total world demand	-	-	-	-	-0.1	-0.3	-1.2	-0.4	-1.2	-0.2	-0.5	-1.4	-0.8
Non-OPEC supply													
OECD	-	-	-	-	-	-	0.1	-	-	0.1	-	0.1	-
North America	-	-	-	-	-	0.1	0.1	-	-	-	0.1	0.1	0.1
Western Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-
DCs	-	-	-	-	-	-	-	-	-	-	-	-	-
FSU	-	-	-	-	-	-	-	-	-	-	0.1	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-OPEC supply	-	-	-	-	-	-	0.1	0.1	0.1	0.1	0.1	0.2	0.1
OPEC NGLs	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Total non-OPEC supply and OPEC NGLs	-	-	-	-	-	-	0.1	0.1	0.1	0.1	0.1	0.2	0.1
OPEC crude oil production (secondary sources)	-	-	-	-	-								
Total supply	-	-	-	-	-								
Balance (stock change and miscellaneous)	-	-	-	-	0.2								
Closing stock level (outside FCPEs) *mb*													
OECD onland commercial	-	-	1	-	-1								
OECD SPR	-	-	-	-	-								
OECD total	-	-	1	-	-1								
Other onland	-	-	-	-	-								
Oil on water	-	-	-	-1	-21								
Total stock	-	-	1	-	-22								
Days of forward consumption in OECD													
Commercial onland stocks	-	-	-	-	-								
SPR	-	-	-	-	-								
Total	-	-	-	-	-								
Memo items													
FSU net exports	-	-	-	-	0.1	-0.1	0.1	-	0.1	-	-	0.1	-
(a) - (b)	-	-	-	-	-0.2	-0.4	-1.3	-0.5	-1.3	-0.3	-0.7	-1.6	-1.0

† *This compares Table 17 in this issue of the MOMR with Table 16 in the September 2001 issue.*
This table shows only where changes have occurred.

Table 19
World oil stocks (excluding former CPEs) at end of period

	1995	1996	1997	1998	1999	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01
Closing stock level *mb*											
OECD onland commercial	2,536	2,515	2,616	2,698	2,446	2,416	2,508	2,542	2,527	2,519	2,602
North America	1,168	1,138	1,211	1,283	1,127	1,108	1,165	1,180	1,145	1,152	1,228
Western Europe	938	899	912	962	881	898	898	909	927	919	915
OECD Pacific	430	477	493	454	438	410	446	453	455	448	458
OECD SPR	1,198	1,199	1,207	1,249	1,228	1,234	1,232	1,237	1,210	1,210	1,207
North America	592	566	563	571	567	569	569	572	543	544	545
Western Europe	307	330	329	362	346	349	349	353	354	351	348
OECD Pacific	299	303	315	315	315	315	315	312	313	314	314
OECD total	**3,733**	**3,714**	**3,823**	**3,947**	**3,675**	**3,650**	**3,740**	**3,778**	**3,738**	**3,729**	**3,809**
Other onland	998	993	1,022	1,056	983	976	1,000	1,010	1,000	997	1,019
Oil-on-water	784	798	812	859	808	829	852	835	864	906	834
Total stock	**5,516**	**5,505**	**5,658**	**5,861**	**5,466**	**5,455**	**5,593**	**5,624**	**5,601**	**5,632**	**5,662**
Days of forward consumption in OECD											
OECD onland commercial	55	54	56	57	51	52	52	52	52	54	55
North America	53	50	52	54	47	46	48	48	47	49	50
Western Europe	63	60	60	63	58	61	59	59	61	62	61
OECD Pacific	49	53	59	52	51	51	53	51	48	56	55
OECD SPR	26	26	26	26	26	27	26	25	25	26	25
North America	27	25	24	24	24	24	23	23	22	23	22
Western Europe	21	22	22	24	23	24	23	23	23	24	23
OECD Pacific	34	34	37	36	36	39	38	35	33	39	38
OECD total	**81**	**80**	**82**	**83**	**77**	**78**	**78**	**78**	**77**	**80**	**80**
Days of global forward consumption	**88**	**85**	**87**	**89**	**82**	**84**	**84**	**84**	**83**	**86**	**85**

Table 20
Non-OPEC supply and OPEC natural gas liquids
mb/d

	1998	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	Change 01/00	1Q02	2Q02	3Q02	4Q02	2002	Change 02/01
USA	8.39	8.11	8.11	7.87	8.10	8.02	8.08	8.02	-0.09	7.91	8.15	8.07	8.13	8.07	0.05
Canada	2.61	2.60	2.72	2.79	2.75	2.79	2.84	2.79	0.07	2.86	2.82	2.86	2.91	2.86	0.07
Mexico	3.51	3.35	3.45	3.56	3.50	3.61	3.61	3.57	0.12	3.68	3.61	3.73	3.73	3.69	0.12
North America	**14.51**	**14.05**	**14.29**	**14.22**	**14.34**	**14.42**	**14.52**	**14.38**	**0.09**	**14.46**	**14.58**	**14.65**	**14.76**	**14.61**	**0.24**
Norway	3.08	3.06	3.32	3.47	3.35	3.34	3.44	3.40	0.08	3.47	3.35	3.34	3.44	3.40	0.00
UK	2.77	2.84	2.64	2.53	2.48	2.40	2.47	2.47	-0.17	2.58	2.53	2.45	2.52	2.52	0.05
Denmark	0.24	0.30	0.36	0.37	0.31	0.32	0.32	0.33	-0.03	0.34	0.29	0.30	0.30	0.31	-0.02
Other Western Europe	0.48	0.43	0.41	0.41	0.41	0.41	0.41	0.41	0.00	0.41	0.41	0.41	0.41	0.41	0.00
Western Europe	**6.56**	**6.63**	**6.74**	**6.78**	**6.54**	**6.47**	**6.64**	**6.61**	**-0.13**	**6.80**	**6.57**	**6.50**	**6.67**	**6.64**	**0.03**
Australia	0.61	0.59	0.77	0.74	0.70	0.74	0.74	0.73	-0.04	0.72	0.68	0.72	0.72	0.71	-0.02
Other Pacific	0.08	0.07	0.06	0.06	0.06	0.06	0.06	0.06	0.00	0.06	0.06	0.06	0.06	0.06	0.00
OECD Pacific	**0.69**	**0.66**	**0.83**	**0.80**	**0.76**	**0.80**	**0.81**	**0.79**	**-0.04**	**0.78**	**0.74**	**0.78**	**0.79**	**0.77**	**-0.02**
Total OECD*	**21.75**	**21.34**	**21.86**	**21.80**	**21.65**	**21.69**	**21.97**	**21.78**	**-0.08**	**22.05**	**21.89**	**21.93**	**22.22**	**22.02**	**0.25**
Brunei	0.16	0.18	0.19	0.20	0.19	0.19	0.19	0.19	0.00	0.20	0.19	0.19	0.19	0.19	0.00
India	0.75	0.75	0.74	0.74	0.71	0.73	0.74	0.73	-0.01	0.76	0.73	0.75	0.76	0.75	0.02
Malaysia	0.72	0.70	0.68	0.70	0.71	0.71	0.70	0.71	0.02	0.70	0.71	0.71	0.70	0.71	0.00
Papua New Guinea	0.08	0.09	0.07	0.06	0.06	0.07	0.07	0.06	-0.01	0.06	0.06	0.07	0.07	0.06	0.00
Vietnam	0.23	0.26	0.31	0.35	0.34	0.36	0.36	0.35	0.04	0.35	0.34	0.36	0.36	0.35	0.00
Asia others	0.20	0.20	0.24	0.25	0.25	0.25	0.25	0.25	0.01	0.25	0.25	0.25	0.25	0.25	0.00
Other Asia	**2.14**	**2.18**	**2.23**	**2.30**	**2.25**	**2.32**	**2.31**	**2.29**	**0.06**	**2.32**	**2.27**	**2.34**	**2.33**	**2.31**	**0.02**
Argentina	0.88	0.84	0.79	0.80	0.80	0.79	0.78	0.79	0.00	0.81	0.81	0.80	0.79	0.80	0.01
Brazil	1.23	1.36	1.49	1.57	1.50	1.56	1.62	1.56	0.07	1.60	1.53	1.60	1.65	1.60	0.03
Colombia	0.75	0.82	0.70	0.64	0.57	0.58	0.61	0.60	-0.10	0.66	0.59	0.60	0.63	0.62	0.02
Ecuador	0.38	0.38	0.40	0.42	0.42	0.43	0.43	0.42	0.03	0.43	0.43	0.44	0.44	0.43	0.01
Peru	0.12	0.11	0.10	0.10	0.10	0.10	0.10	0.10	0.00	0.10	0.10	0.10	0.10	0.10	0.00
Trinidad & Tobago	0.13	0.14	0.14	0.13	0.13	0.13	0.12	0.13	-0.01	0.13	0.13	0.13	0.12	0.13	0.00
L. America others	0.11	0.11	0.12	0.13	0.13	0.13	0.14	0.13	0.01	0.13	0.13	0.13	0.14	0.13	0.00
Latin America	**3.62**	**3.76**	**3.74**	**3.78**	**3.66**	**3.71**	**3.80**	**3.74**	**-0.01**	**3.85**	**3.73**	**3.79**	**3.88**	**3.81**	**0.07**
Bahrain	0.20	0.19	0.19	0.19	0.19	0.19	0.18	0.19	0.00	0.19	0.19	0.19	0.18	0.19	0.00
Oman	0.90	0.91	0.95	0.96	0.99	0.98	0.99	0.98	0.03	0.96	0.99	0.98	0.99	0.98	0.00
Syria	0.56	0.55	0.54	0.54	0.53	0.53	0.55	0.54	0.00	0.54	0.53	0.53	0.55	0.54	0.00
Yemen	0.39	0.42	0.45	0.47	0.47	0.47	0.48	0.47	0.02	0.47	0.47	0.47	0.48	0.47	0.00
Middle East	**2.05**	**2.06**	**2.14**	**2.16**	**2.18**	**2.17**	**2.21**	**2.18**	**0.04**	**2.16**	**2.18**	**2.17**	**2.21**	**2.18**	**0.00**
Angola	0.73	0.76	0.74	0.72	0.69	0.70	0.71	0.71	-0.04	0.79	0.76	0.77	0.78	0.77	0.07
Cameroon	0.10	0.10	0.10	0.08	0.08	0.08	0.08	0.08	-0.02	0.08	0.08	0.08	0.08	0.08	0.00
Congo	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.00	0.29	0.29	0.30	0.29	0.30	0.03
Egypt	0.86	0.83	0.80	0.78	0.74	0.76	0.76	0.76	-0.03	0.78	0.74	0.76	0.76	0.76	0.00
Gabon	0.38	0.36	0.34	0.31	0.31	0.32	0.33	0.32	-0.02	0.31	0.31	0.32	0.33	0.32	0.00
South Africa	0.16	0.17	0.19	0.20	0.19	0.20	0.20	0.20	0.01	0.20	0.19	0.20	0.20	0.20	0.00
Africa other	0.22	0.28	0.41	0.48	0.51	0.52	0.52	0.51	0.09	0.51	0.54	0.55	0.55	0.54	0.03
Africa	**2.72**	**2.78**	**2.85**	**2.82**	**2.79**	**2.85**	**2.87**	**2.83**	**-0.01**	**2.95**	**2.91**	**2.98**	**3.00**	**2.96**	**0.13**
Total DCs	**10.54**	**10.78**	**10.96**	**11.06**	**10.87**	**11.05**	**11.19**	**11.04**	**0.09**	**11.28**	**11.08**	**11.27**	**11.41**	**11.26**	**0.22**
FSU	**7.29**	**7.47**	**7.91**	**8.25**	**8.39**	**8.45**	**8.43**	**8.38**	**0.47**	**8.71**	**8.86**	**8.93**	**8.90**	**8.85**	**0.47**
Other Europe	**0.19**	**0.18**	**0.18**	**0.18**	**0.18**	**0.18**	**0.19**	**0.18**	**0.00**	**0.18**	**0.18**	**0.18**	**0.19**	**0.18**	**0.00**
China	**3.15**	**3.21**	**3.23**	**3.29**	**3.25**	**3.30**	**3.30**	**3.29**	**0.06**	**3.32**	**3.28**	**3.33**	**3.33**	**3.32**	**0.03**
Non-OPEC production	**42.93**	**42.98**	**44.13**	**44.59**	**44.33**	**44.67**	**45.08**	**44.67**	**0.54**	**45.55**	**45.29**	**45.64**	**46.05**	**45.64**	**0.97**
Processing gains	1.55	1.58	1.65	1.69	1.69	1.69	1.69	1.69	0.04	1.72	1.72	1.72	1.72	1.72	0.03
Non-OPEC supply	**44.48**	**44.56**	**45.78**	**46.28**	**46.02**	**46.36**	**46.77**	**46.36**	**0.58**	**47.27**	**47.01**	**47.36**	**47.77**	**47.36**	**1.00**
OPEC NGLs	**2.78**	**2.86**	**2.98**	**3.01**	**3.01**	**3.01**	**3.01**	**3.01**	**0.03**	**3.04**	**3.04**	**3.04**	**3.04**	**3.04**	**0.03**

Note: Totals may not add up due to independent rounding.

** Former East Germany is included in the OECD.*